OBJECTIVES

1. To develop an understanding of the motivation process.
2. To identify leadership and management styles.
3. To explore how motivation impacts performance.

TERMINOLOGY

Goodwill: A kindly feeling of approval and support; benevolent interest or concern; the favor or advantage that a business has acquired, especially through its brands and its good reputation.

Happiness: A state of well-being and contentment.

Job: Something produced by or as if by work (did a nice job).

Leader: Person who directs a group or unit; a person who has commanding authority or influence.

Morale: The mental and emotional condition (as of enthusiasm, confidence, or loyalty) of an individual or group with regard to the function or tasks at hand.

Motivation: A compelling force, stimulus, or influence.

Satisfaction: Fulfillment of a need or want.
LEAD, COACH, AND GUIDE

Leadership is closely linked with the idea of management. The two are synonymous; management is a subset of leadership. With this premise, you can view leadership as follows:

1. Centralized or decentralized
2. Broad or focused
3. Decision-oriented or morale-centered
4. Intrinsic or derived from some authority

Any of the bipolar labels traditionally ascribed to management styles could also apply to leadership styles. Hersey and Blanchard (1982) use this approach: they claim that management merely consists of leadership applied to business situations, or in other words, management forms a subset of the broader process of leadership. They put it this way: “Leadership occurs any time one attempts to influence the behavior of an individual or group, regardless of the reason. Management is a kind of leadership in which the achievement of organizational goals is paramount.”

However, a clear distinction between management and leadership may nevertheless prove useful. This would allow for a reciprocal relationship between leadership and management, implying that an effective manager should possess leadership skills, and an effective leader should demonstrate management skills. One clear distinction could provide the following definition:

1. Management involves power by position.
2. Leadership involves power by influence.

Abraham Zaleznik (1977), for example, delineated differences between leadership and management. He saw leaders as inspiring visionaries concerned about substance, while viewing managers as planners who have concerns with process. Warren Bennis (1989) further explicated a dichotomy between managers and leaders. He drew twelve distinctions between the two groups:
1. Managers administer; leaders innovate.
2. Managers ask how and when; leaders ask what and why.
3. Managers focus on systems; leaders focus on people.
4. Managers do things right; leaders do the right things.
5. Managers maintain; leaders develop.
6. Managers rely on control; leaders inspire trust.
7. Managers have a short-term perspective; leaders have a longer-term perspective.
8. Managers accept the status quo; leaders challenge the status quo.
9. Managers have an eye on the bottom line; leaders have an eye on the horizon.
10. Managers imitate; leaders originate.
11. Managers emulate the classic good soldier; leaders are their own person.
12. Managers copy; leaders show originality.

Paul Birch (1999) also sees a distinction between leadership and management. He observes that, as a broad generalization, managers concern themselves with tasks, while leaders concern themselves with people. Birch does not suggest that leaders do not focus on “the task.” Indeed, the things that characterize a great leader include the fact that they achieve. Effective leaders create and sustain competitive advantage through the attainment of cost leadership, revenue leadership, time leadership, and market value leadership. Managers typically follow and realize a leader’s vision. The difference lies in the leader realizing that the achievement of the task comes about through the goodwill and support of others (influence), while the manager may not.

This goodwill and support originate in the leader seeing people as people, not as another resource for deployment in support of “the task.” The manager often has the role of organizing resources to get something done. People form one of these resources, and many of the worst managers treat people as just another interchangeable item. A leader has the role of motivating others to follow a path he or she has laid out, or a vision he or she has articulated in order to achieve a task. Often, people see the task as subordinate to the vision. For instance, an organization might have the overall task of generating profit, but good leaders may see profit as a by-product that flows from whatever aspect of their vision that differentiates their company from the competition.
Leadership does not only manifest itself as purely a business phenomenon. Many people can think of an inspiring leader they have encountered who has nothing whatever to do with business: a politician, an officer in the armed forces, a Scout or Guide leader, a teacher, and so on. Similarly, management does not occur only in the context of business. Again, we can think of examples of people who we have met who fill the management niche in nonbusiness organizations. Nonbusiness organizations should find it easier to articulate a non-money-driven inspiring vision that will support true leadership. However, often this does not occur.

Differences in the mix of leadership and management can define various management styles. Some management styles tend to deemphasize leadership. Included in this group, one could include participatory management, democratic management, and collaborative management styles. Other management styles, such as authoritarian management, micromanagement, and top-down management, depend more on a leader to provide direction. Note, however, that just because an organization has no single leader giving it direction, this does not mean it necessarily has weak leadership. In many cases, group leadership (multiple leaders) can prove effective. Having a single leader (as in a dictatorship) allows for quick and decisive decision making when needed, as well as when not needed. Group decision making sometimes earns the derisive label committee-itis because of the longer times required to make decisions, but group leadership can bring more expertise, experience, and perspectives through a democratic process.

Patricia Pitcher (1994) has challenged the division into leaders and managers. She used a factor analysis (in marketing) technique on data collected over eight years and concluded that three types of leaders exist, each with very different psychological profiles: artists were imaginative, inspiring, visionary, entrepreneurial, intuitive, daring, and emotional; craftsmen were well-balanced, steady, reasonable, sensible, predictable, and trustworthy; and technocrats were cerebral, detail-oriented, fastidious, uncompromising, and hard-headed. She speculates that no one profile offers a preferred leadership style. She claims that if we want to build, we should find an “artist leader”; if we want to solidify our position, we should find a “craftsman leader”; and if we have an ugly job that needs to get done like downsizing, we should find a “technocratic leader.” Pitcher also observes that a balanced leader exhibiting all three sets of traits occurs extremely rarely: she found none in her study.
Bruce Lynn postulates a differentiation between leadership and management based on approaches to risk. Specifically, “A Leader optimizes upside opportunity; a Manager minimizes downside risk” (). He argues that successful executives need to apply both disciplines in a balance appropriate to the enterprise and its context. Leadership without management yields steps forward, but as many (if not more) steps backward. Management without leadership avoids any steps backward, but doesn’t move forward.

**Leadership Styles**

*Autocratic*

An autocratic or authoritarian manager makes all the decisions, keeping the information and decision making among the senior management. Objectives and tasks are set, and the workforce is expected to do exactly as required. The communication involved with this method is mainly downward, from the leader to the subordinate. Critics such as Elton Mayo have argued that this method can lead to a decrease in motivation from the employee’s point of view. The main advantage of this style is that the direction of the business will remain constant, and the decisions will all be similar; this in turn can project an image of a confident, well-managed business. On the other hand, subordinates may become highly dependent upon the leaders and increased supervision may be needed.

*Paternalistic*

A more paternalistic form is also essentially dictatorial; however, the decisions tend to be in the best interests of the employees rather than the business. A good example of this would be David Brent running the business in the British version of the fictional television show *The Office*. The leader explains most decisions to the employees and ensures that their social and leisure needs are always met. This can help balance out the lack of worker motivation caused by an autocratic management style. Feedback is again generally downward; however, feedback to the management will occur in order for the employees to be kept happy. This style can be highly advantageous, and can engender loyalty from the employees, leading to a lower labor turnover rate, thanks to the emphasis on social needs. It shares
similar disadvantages to an authoritarian style though, with employees becoming highly dependent on the leader. If the wrong decisions are made, then all employees may become dissatisfied with the leader.

**Democratic**

In a *democratic* style, the manager allows the employees to take part in decision making; therefore, everything is agreed on by the majority. The communication is extensive in both directions (from subordinates to leaders and vice versa). This style can be particularly useful when complex decisions need to be made that require a range of specialist skills: for example, when a new information and communication technologies (ICT) system needs to be put in place and the upper management of the business is computer illiterate. From the overall business’ point of view, job satisfaction and quality of work will improve. However, the decision-making process is severely slowed down, and the need for a consensus may lead to not taking the “best” decision for the business. It can go against a better choice of action.

**Laissez-Faire**

In a *laissez-faire* leadership style, the leader’s role is peripheral and staff manages their own areas of the business; the leader therefore evades the duties of management, and uncoordinated delegation occurs. The communication in this style is horizontal, meaning that it is equal in both directions; however, very little communication occurs in comparison with other styles. The style brings out the best in highly professional and creative groups of employees; however, in many cases it is not deliberate and is simply a result of poor management. This leads to a lack of staff focus and sense of direction, which in turn leads to much dissatisfaction and a poor company image.

### REWARDS BASED UPON PERFORMANCE

A psychological reward is a process that reinforces behavior—something that, when offered, causes a behavior to increase in intensity. *Reward* is an operational concept for describing the positive value an individual ascribes to an object, behavioral act, or internal physical state. Primary
rewards include those that are necessary for the survival of the species, such as food, water, and sex. Some people include shelter as a primary reward. Secondary rewards derive their value from the primary rewards and include money, pleasant touch, beautiful faces, music, and the like. The functions of rewards are based directly on the modification of behavior and less directly on the physical and sensory properties of rewards. For instance, altruism may induce a larger psychological reward, although it doesn’t cause physical or sensory sensations, thus favoring such behavior, also known as psychological egoism. Rewards are generally considered more effective than punishment in enforcing positive behavior. Rewards induce learning, approach behavior, and feelings of positive emotions.

PRAISE AND CENSURE FAIRLY

In its common usage, praise is the act of making positive statements about a person, object, or idea, either in public or privately. Praise is often contrasted with criticism, where the latter is held to mean exclusively negative statements made about something, although this is not technically correct. Most people are responsive to praise and their self-esteem or confidence will increase if a suitable amount of praise is received—in fact, some psychological theories hold that a person’s life is composed largely of attempts to win praise for his or her actions. Other people are less affected by or even averse to praise, for example people with autism or schizoid personality disorder.

Performance Appraisals

A performance appraisal is a regular review of employee performance within organizations. Generally, the aims of such a scheme are as follows:

1. Give feedback on performance to employees in meeting group goals and objectives.
2. Identify employee training needs.
3. Document criteria used to allocate organizational rewards.
4. Form a basis for personnel decisions: salary increases, promotions, disciplinary actions, and so on.
5. Provide the opportunity for organizational diagnosis and development.
6. Facilitate communication between employee and administrator.
7. Validate selection techniques and human resources policies to meet federal Equal Employment Opportunity requirements.

A common approach to assessing performance is to use a numerical or scalar rating system whereby managers are asked to score an individual against a number of group or departmental objectives or attributes. In some companies, employees receive assessments from their manager, peers, subordinates, and customers while also performing a self-assessment.

The most popular methods that are being used as performance appraisal processes are as follows:

1. Management by objectives (MBO)
2. Behavioral Observation Scale (BOS)
3. Behaviorally Anchored Rating Scale (BARS)

Trait-based systems, which rely on factors such as integrity and conscientiousness, are also commonly used by businesses. The scientific literature on the subject provides evidence that assessing employees on factors such as these should be avoided. The reasons for this are twofold:

1. Because trait-based systems are by definition based on personality traits, they make it difficult for a manager to provide feedback that can cause positive change in employee performance. This is caused by the fact that personality dimensions are for the most part static, and while an employee can change a specific behavior, he cannot change his personality. For example, a person who lacks integrity may stop lying to a manager because she has been caught, but she still has low integrity and is likely to lie again when the threat of being caught is gone.
2. Trait-based systems, because they are vague, are more easily influenced by office politics, causing them to be less reliable as a source of information on an employee’s true performance. The vagueness of these instruments allows managers to fill them out based on who they want to give a raise to, or feel should get a raise, rather than basing scores on specific behaviors that employees should or should not be engaging in. These systems are also more likely to leave a company open to discrimination claims because a manager can make biased decisions without having to back them up with specific behavioral information.
Maslow’s hierarchy of needs is often depicted as a pyramid consisting of five levels: the four lower levels are grouped together as being associated with physiological needs, while the top level is termed growth needs associated with psychological needs. Deficiency needs must be met first. Once these are met, seeking to satisfy growth needs drives personal growth. The higher needs in this hierarchy only come into focus when the lower needs in the pyramid are satisfied. Once an individual has moved upward to the next level, needs in the lower level will no longer be prioritized. If a lower set of needs is no longer being met, the individual will temporarily reprioritize those needs by focusing attention on the unfulfilled needs, but will not permanently regress to the lower level. For instance, a businessman at the esteem level who is diagnosed with cancer will spend a great deal of time concentrating on his health (physiological needs), but will continue to value his work performance (esteem needs) and will likely return to work during periods of remission.

**Deficiency Needs**

The first four layers of the pyramid are what Maslow called “deficiency needs,” or “D-needs”: if they are not met, the body gives no indication of it physically, but the individual feels anxious and tense. The deficiency needs are survival needs, safety and security, love and belonging, and esteem.

**Physiological Needs**

These are the basic human needs for such things as food, warmth, water, and other bodily needs. If a person is hungry or thirsty or her body is chemically unbalanced, all of her energies turn toward remedying these deficiencies and other needs remain inactive. Maslow explains, “Anyone who attempts to make an emergency picture into a typical one and who will measure all of man’s goals and desires by his [or her] behavior during extreme physiological deprivation, is certainly blind to many things. It is quite true that man [i.e., people] live(s) by bread alone—when there is no bread.”
The physiological needs of the organism (those enabling homeostasis) take first precedence. These consist mainly of the following (in order of importance):

1. Breathing
2. Drinking
3. Eating
4. Excretion

If some needs are not fulfilled, a person’s physiological needs take the highest priority. Physiological needs can control thoughts and behaviors and can cause people to feel sickness, pain, and discomfort.

Safety Needs

With their physical needs relatively satisfied, people’s safety needs take over and dominate their behavior. These needs have to do with people’s yearning for a predictable, orderly world in which injustice and inconsistency are under control, the familiar frequent, and the unfamiliar rare. In the world of work, these safety needs manifest themselves in such things as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, and the like.

For the most part, physiological and safety needs are reasonably well satisfied in the first world. The obvious exceptions, of course, are people outside the mainstream—the poor and the disadvantaged. If frustration has not led to apathy and weakness, such people still struggle to satisfy the basic physiological and safety needs. They are primarily concerned with survival: obtaining adequate food, clothing, and shelter, and seeking justice from the dominant societal groups.

Safety and security needs include the following:

1. Personal security from crime
2. Financial security
3. Health and well-being
4. Safety net against accidents and illness and the adverse impacts
Social Needs

After physiological and safety needs are fulfilled, the third layer of human needs is social. This psychological aspect of Maslow’s hierarchy involves emotionally based relationships in general, such as the following:

1. Friendship
2. Intimacy
3. Having a supportive and communicative family

Humans need to feel a sense of belonging and acceptance, whether it comes from a large social group, such as clubs, office culture, religious groups, professional organizations, sports teams, or gangs (“safety in numbers”), or small social connections (family members, intimate partners, mentors, close colleagues, and confidants). They need to love and be loved (sexually and nonsexually) by others. In the absence of these elements, many people become susceptible to loneliness, social anxiety, and depression. This need for belonging can often overcome the physiological and security needs, depending on the strength of the peer pressure (e.g., an anorexic ignores the need to eat and the security of health for a feeling of control and belonging).

Esteem Needs

All humans have a need to be respected, to have self-esteem, to respect themselves, and to respect others. People need to engage themselves to gain recognition and have an activity or activities that give them a sense of contribution, and to feel accepted and self-valued, be it in a profession or hobby. Imbalances at this level can result in low self-esteem and inferiority complexes. People with low self-esteem need respect from others. They may seek fame or glory, which again depends on others. However, confidence, competence, and achievement only need one person, the self, and everyone else is inconsequential to one’s own success. It may be noted, however, that many people with low self-esteem will not be able to improve their view of themselves simply by receiving fame, respect, and glory externally, but must first accept themselves internally. Psychological imbalances such as depression can also prevent one from obtaining self-esteem on both levels.
• **Growth needs**: Though the deficiency needs may be seen as “basic,” and can be met and neutralized (i.e., they stop being motivators in one’s life), self-actualization and transcendence are “being” or “growth needs” (also termed *B-needs*), that is, they are enduring motivations or drivers of behavior.

• **Cognitive needs**: Maslow believed that humans have the need to increase their intelligence and thereby chase knowledge. Cognitive needs are the expression of people’s natural need to learn, explore, discover, and create to get a better understanding of the world around them.

• **Aesthetic needs**: Based on Maslow’s beliefs, it is stated in the hierarchy that humans need beautiful imagery or something new and aesthetically pleasing to continue up toward self-actualization. Humans need to refresh themselves in the presence and beauty of nature while carefully absorbing and observing their surroundings to extract the beauty the world has to offer.

**Self-Actualization**

Self-actualization—a concept Maslow attributed to Kurt Goldstein, one of his mentors—is the instinctual need of humans to make the most of their abilities and to strive to be the best they can. It is working toward fulfilling our potential, toward becoming all that we are capable of becoming.

In Maslow’s scheme, the final stage of psychological development comes when the individual feels assured that his physiological, security, affiliation and affection, self-respect, and recognition needs have been satisfied. As these become dormant, he becomes filled with a desire to realize all of his potential for being an effective, creative, mature human being. “What a man can be, he must be” is the way Maslow expresses it.

Maslow’s need hierarchy is set forth as a general proposition and does not imply that everyone’s needs follow the same rigid pattern. For some people, self-esteem seems to be a stronger motivation than love. Italian dictator Benito Mussolini, for example, alienated his closest friends by undertaking reckless military adventures to achieve status as a conqueror. (This example can also be used to illustrate the means-to-an-end dilemma of human motivation. That is, Mussolini may have reached for status as a means of gaining the affection of Adolf Hitler. More will be said about this problem later.) For some people, the need to create is often a stronger
motivation than the need for food and safety. Thus, the artist living in poverty is a classic example of reversing the standard hierarchy of needs. Similarly, persons who have suffered hunger or some other deprivation for protracted periods may live happily for the rest of their lives if only they can get enough of what they lacked. In this case, the level of aspiration may have become permanently lowered and the higher-order, less proponent needs may never become active. There are also cases of people martyring themselves for causes and suffering all kinds of deprivations, particularly in the physiological, safety, and sometimes social categories, to achieve their goals.

Herzberg proposed the *motivation-hygiene theory*, also known as the *two-factor theory* (1959) of job satisfaction. According to his theory, people are influenced by two factors:

1. *Satisfaction*, is primarily the result of the *motivator factors*. These factors help increase satisfaction but have little effect on dissatisfaction.
   A. Motivator factors
      I. Achievement
      II. Recognition
      III. Work itself
      IV. Responsibility
      V. Promotion
      VI. Growth

2. *Dissatisfaction* is primarily the result of hygiene factors. These factors, if absent or inadequate, cause dissatisfaction, but their presence has little effect on long-term satisfaction.
   A. Hygiene factors
      I. Pay and benefits
      II. Company policy and administration
      III. Relationships with coworkers
      IV. Physical environment
      V. Supervision
      VI. Status
      VII. Job security

See Table 5.1 for a comparison of Maslow’s and Herzberg’s theories.
The motivation process begins with proper leadership. Leadership should lead to an appropriate motivating environment which provides consistency in purpose and sincerity, and where goals are realistic and there are no hidden agendas. Management needs to be aware that each individual has different needs depending on her stage in life and should be treated accordingly. Operator dissatisfaction will be reflected in her work when these needs are not recognized.

When management communicates in only one direction to employees, mostly through threats and very few rewards, employees will form informal objectives that are diametrically opposed to those of the organization, resulting in ever-decreasing levels of output value.

**TABLE 5.1**
Maslow and Herzberg Comparison

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<tr>
<th>Maslow Need Hierarchy Theory</th>
<th>Herzberg Motivation-Hygiene Theory</th>
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<tbody>
<tr>
<td>Self-actualization</td>
<td>Work itself</td>
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<td>– Self-fulfillment</td>
<td>Achievemen</td>
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<td>– Challenge</td>
<td>Growth</td>
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<td>Esteem (ego)</td>
<td>Advancement</td>
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<td>– Recognition</td>
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<td>– Confidence</td>
<td>Status</td>
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<td>Social</td>
<td>Interpersonal relations</td>
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<td>– Acceptance</td>
<td>– Supervisor</td>
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<td>– Belonging</td>
<td>– Subordinates</td>
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<td>– Affection</td>
<td>– Peers</td>
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<td>Supervision</td>
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<td>Company policy and administration</td>
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<tr>
<td>– Security</td>
<td>Job security</td>
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<td>– Protection</td>
<td>Working conditions</td>
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<td>Physiological</td>
<td>Salary</td>
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<tr>
<td>– Food, water, and sleep</td>
<td>Personal life</td>
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**SUMMARY**

The motivation process begins with proper leadership. Leadership should lead to an appropriate motivating environment which provides consistency in purpose and sincerity, and where goals are realistic and there are no hidden agendas. Management needs to be aware that each individual has different needs depending on her stage in life and should be treated accordingly. Operator dissatisfaction will be reflected in her work when these needs are not recognized.

When management communicates in only one direction to employees, mostly through threats and very few rewards, employees will form informal objectives that are diametrically opposed to those of the organization, resulting in ever-decreasing levels of output value.
REVIEW QUESTIONS

1. What is the purpose of management?
2. Describe leadership.
3. Define different types of leadership and management styles.
5. Describe the different levels of Maslow’s hierarchy.
6. Describe Herzberg’s motivation-hygiene theory.
7. Describe the differences between Maslow and Herzberg.